



City of
Peterborough

To: Members of the Committee of the Whole

From: W.H. Jackson, Director, Utility Services

Meeting Date: December 5, 2016

Subject: Report USWM16-006
Pilot Project of an Alternative Method to Process Leaf and
Yard Waste

Purpose

A report to propose entering into a pilot project agreement for an alternative method of processing leaf and yard waste material.

Recommendation

That Council approve the recommendation outlined in Report USWM16-006, dated December 5, 2016 of the Director of Utility Services as follows:

That Astoria Organics Matters Canada LP, 704 Phillipston Road, Belleville, Ontario, K0K 2Y0 be engaged to haul and process the City's leaf and yard waste material at an all-in cost of \$28 per tonne for a total estimated cost of \$196,000 for the period December 5, 2016 to December 31, 2017

Budget and Financial Implications

An all-in unit price of \$28/tonne of leaf and yard Waste material has been negotiated with Astoria Organics Matters Canada LP.

The compost facility at Harper Road typically handles between 6,500 and 7,000 tonnes of material in a year meaning the contract with Astoria is estimated to cost between \$182,000 and \$196,000 per year. Considering costs that would continue to be incurred for the material retained by the City, this arrangement can be accommodated within the 2017 draft operating budget for the compost facility and the remaining 2016 budget funds.

Background

The City operates a compost facility at Harper Road. The proposal is to dramatically reduce the City's efforts in operating this facility.

Existing Operation

Presently, City collection trucks collect leaf and yard waste from the curb and deliver it to the Harper Road site. When sufficient material has been accumulated, a contractor is engaged to grind the material into a size small enough to enable the material to be placed in a windrow for composting. Throughout the composting process, the windrows are turned and monitored for (among other items) oxygen and moisture content as well as heat. Depending on availability, City staff will turn the windrow otherwise a contractor is hired to do this. City staff monitor, take the required samples and undertake any necessary laboratory investigations.

When it is determined that a windrow has been properly and completely composted, a contractor is again engaged, this time to screen the compost thereby preparing it for sale.

In the past, there was a demand for the City's compost and truck loads of the compost were shipped throughout the area bounded by Peterborough County. This has dropped significantly in the last 4-5 years and now it is sometimes difficult to sell enough of the compost, creating site capacity issues. Most of the trucking of the finished compost has been undertaken by City staff.

Proposed Operation

Through a competitive process, the City secured the services of Astoria Inc. to grind and screen the compost. Astoria Inc. has recently constructed a state-of-the-art composting facility near Belleville (see Pictures 1, 2 and 3). The contractor's facility is very large and the contractor is in need of material to allow the facility to be used at its most efficient.

We have received an offer from this contractor. The offer is that the contractor will take all of our leaf and yard material before we have composted it. Once the leaf and yard material has been ground, it will be trucked to the contractor's facility for processing.

It is intended that the City would retain enough material to supply our own needs and those of users such as community gardens and the Ecological Park on Ashburnham Drive.

Immediate Advantages of this Proposal

An immediate advantage is that the City will essentially get out of the day-to-day business of composting leaf and yard material. This is significant given the regulatory requirements, ongoing aspects of operating the compost facility and increasing costs. This proposal will also resolve an immediate problem of space at the Harper site because of the reduction in sales of compost that has been experienced over the last 5 ± years.

No City staff (Locals 504, 126 and Non-union) will lose their job or find a decrease in work because of this proposal. Any reduced monitoring or sampling activity that would occur at the compost site will quickly be filled in by other similar work at the various City facilities and sites of interest to the City. Any reduced activity by Public Works staff at the compost site will be more than compensated for by an increase in activity in their various core functions.

One significant advantage will be a reduction in the administration time that is presently used to manage the compost facility. Office and field staff presently devotes an excessive amount of time dealing with the compost facility including regulatory reporting, telephone answering, yearly report writing and arranging for delivery of compost. By accepting this proposal, this administration time can be spent to better effect on the overall waste management operation.

This new arrangement is being set up as a one-year pilot project. Accordingly, the risks involved with any new operation are minimized because of the short duration and the ease with which the City can go back to the existing operation.

Potential Future Advantages of this Proposal

There is a capital project within the 2017 draft Capital Budget that proposes to construct a new Leaf & Yard Waste Facility at the Bensfort Road Landfill site. The planning for this new facility has been ongoing for 1 ½ years and is nearing its conclusion. The projected cost estimate for this facility is slightly more than \$3.5M.

It is possible that if this alternative processing proposal is successful, the construction of this new composting facility may be delayed, avoided altogether or significantly reduced in scale.

It is also possible that a successful new processing alternative will allow the City to financially move into a Source Separate Organics (Kitchen Organics) program sooner than now projected.

Budget Discussion

Financially this proposal will not cost more than what is presently spent on composting. The \$28/tonne unit price negotiated with Astoria to transport and process the City's leaf and yard waste that will ultimately be a cost neutral proposition for the City.

There will still be costs incurred at the Harper Road site for the City to compost that portion of the Leaf & Yard material the City will retain. Funding for these costs will come from the difference in cost to ship material to Astoria and the 2017 budget estimate.

Non-Competitive Procurement

The City Purchasing By-law No.14-127 allows, under certain circumstances, the ability to procure goods and services without a competitive process. Section 9.1.2 f) of the By-law allows for a non-competitive procurement "When the required good or service is in short supply due to market conditions." The proposal is from the closest composting facility to Peterborough.

Although a non-competitive procurement is allowed under the Purchasing By-law and the award can be accommodated within existing budgets, the City Treasurer under Section 8.2.1 c) feels that it is in the City's best interest that Council approve this award and, accordingly, this report is presented to Council.

Timelines

If the recommendation is approved, Astoria Inc. will begin shipments of the City's leaf and yard waste material as soon as the contract is signed by the Mayor and Clerk.

Submitted by,

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Director, Utility Services

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Attachments: Pictures of Astoria Inc. Facility



